



# The President's Daily Brief

13 December 1969

## THE PRESIDENT'S DAILY BRIEF

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#### PRINCIPAL DEVELOPMENTS

The Chinese may see some indirect benefits in talking with Ambassador Stoessel in Warsaw and appear to be interested in sounding out the US position on various issues. (Page 1)

The large movement of supplies into northern Laos by the Communists may be the initial phase of an expanded offensive. ( $Page\ 2$ )

The Hungarians are preparing for bilateral negotiations with West Germany and Bonn is certain to be receptive in order to further its Eastern policy. (Page 3)

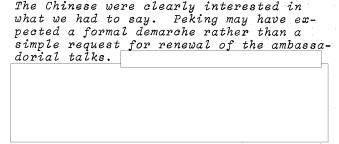
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## FOR THE PRESIDENT ONLY

#### COMMUNIST CHINA

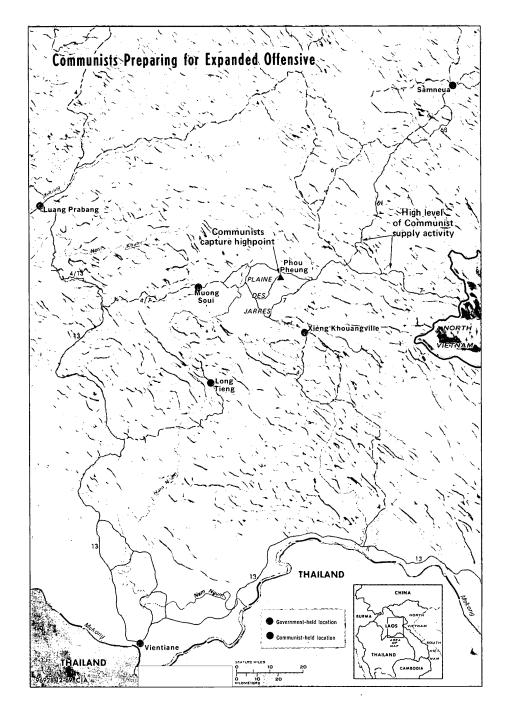
Ambassador Stoessel had his meeting with the Chinese Chargé in Warsaw on Thursday. The Chinese listened attentively to our proposal for renewing the suspended Sino-US ambassadorial talks in mid-January and stated that he would report the proposal to Peking "as rapidly as possible." The meeting was conducted in a cordial and relaxed atmosphere and was free of polemics.



Although the Chinese have recently stepped up their virulent propaganda attacks against the US and almost certainly do not expect great improvement in Sino-US relations, Peking can gain some indirect benefits in talking to the US. The Chinese probably hope that the prospects of improved relations between Peking and Washington may cause Moscow to take a softer line in the Sino-Soviet border talks. At the same time, Peking may hope to insure US neutrality in the Sino-Soviet dispute while increasing its room for international maneuver against Moscow.

Peking seems to be genuinely interested in sounding out the US position on bilateral issues and Asian affairs. A number of high-ranking Chinese officials have recently expressed unusual interest in Washington's Asian policy and Vietnam in particular.

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### **LAOS**

Since early October the North Vietnamese have moved three times as much supplies into northern Laos as they did in a similar period last year. Moreover, a recently intercepted enemy message has revealed plans to "greatly increase" December shipments. To support this effort, North Vietnamese engineers have been directed to keep the roads open for at least 25 days during December. An additional 1,000 North Vietnamese troops are moving toward north Laos.

These troops are likely replacements for heavy casualties which have been suffered by units of the 312th Division in fighting near the Plaine des Jarres. The Communists have not been able to make any significant inroads into government territory in their latest attacks but the unusually heavy build up of supplies suggests a stronger effort may be in the offing.

Hanoi's concern with the government's most recent gains has been reflected in vociferous propaganda from other Communist capitals. Emphasizing the government's occupation of the Plaine des Jarres as a serious escalation of the war, the Communists make it clear that the Plaine must be recaptured. They have hinted that Vang Pao's headquarters at Long Tieng may be a target.

## HUNGARY - WEST GERMANY

The Hungarians are showing considerable interest in improving relations with West Germany. A West German official told Ambassador Rush in Bonn on 11 December that Budapest wants to begin talks on a long term economic agreement before the end of the year. Hungary is also interested in expanding cultural relations.

The Hungarians probably intend to lag slightly behind the Poles, who on 10 December resumed negotiations with Bonn on long-range trade and credit matters. If successful, the Polish-West German economic agreement could become a model for all of Eastern Europe. The Poles will also set a precedent for other Eastern European countries in their upcoming political talks with Bonn.

The Hungarians clearly are anxious to move under the umbrella of the recent Warsaw Pact conference decisions. Economic issues are the most vital to Hungary and probably will be the focus of its first initiative. Bonn is anxious to make ostpolitik a viable policy and welcomes such approaches.

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